

Message Text

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ACTION H-03

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TO SECSTATE WASHDC 5551

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 0108

E.O. 11652: GDS

TAGS: OREP (MCGOVERN, GEORGE) PINT, PO

SUBJECT: CODEL MCGOVERN DISCUSSIONS

REF: LISBON 0036

SUMMARY: DURING HIS JAN 2-3 VISIT TO LISBON, SENATOR MCGOVERN HELD WIDE-RANGING DISCUSSIONS WITH A BROAD SPECTRUM OF PORTUGUESE LEADERS. SOCIALIST LEADER SOARES PRAISED USG POLICIES RE PORTUGAL, STRESSING THE VITAL IMPORTANCE OF USG NON-SUPPORT FOR AZOREAN SEPARATISTS AND EXTREME RIGHTISTS. PRIME MINISTER AZEVEDO RECOMMENDED THE USG LINK ITS AID TO SPECIFIC PLANS AND PROJECTS. BOTH AZEVEDO AND PPD LEADER SA CARNEIRO BELIEVED THE POPULAR DEMOCRATS MIGHT BE OVERTAKING THE SOCIALISTS AS PORTUGAL'S LEADING PARTY, WHILE SOARES DISAGREED STRONGLY. END SUMMARY.

1. SENATOR GEORGE MCGOVERN VISITED LISBON JANUARY 2-3. ACCOMPANYING THE SENATOR WERE MRS. GEORGE MCGOVERN, GEORGE ASHWORTH, ROBERT SHRUN, JOHN HOLUM AND PATRICIA DONOVAN. DURING HIS BRIEF, 27-HOUR STAY IN LISBON, THE SENATOR HAD FRUITFUL DISCUSSIONS WITH A WIDE RANGE OF PORTUGUESE LEADERS, INCLUDING THE PRIME MINISTER; PARTY LEADERS SOARES (SOCIALIST-PS) AND SA CARNEIRO (POPULAR DEMOCRAT-PPD); LABOR MINISTER ROSA; AND FORMER INDUSTRY MINISTER JOAO CRAVINHO. CHIEF TOPICS OF THE SENATOR'S DISCUSSIONS WERE ANGOLA; U.S. ASSISTANCE; AND PORTUGAL'S FORTHCOMING ELECTIONS. MAIN POINTS FOLLOW. (FOR ANGOLA SEE REFTEL.)

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U.S. ASSISTANCE:

2. RESPONDING TO THE SENATOR'S QUERY PRIME MINISTER AZEVEDO SAID THE USG SHOULD NOT HELP PORTUGAL UNLESS THE GOP PROVIDED SPECIFIC PLANS AND PROJECTS. (THE SENATOR WAS STRUCK BY AZEVEDO'S COMMENT, BUT SUBSEQUENTLY SAID HE FELT THAT USG ECONOMIC ASSISTANCE TO PORTUGAL WAS NECESSARY.)

3. SOARES SAID THAT NOW WAS THE TIME FOR THE USG AND WESTERN EUROPE TO HELP THE GOP, SINCE PORTUGAL'S DEMOCRATIC POLITICAL FORCES HAD BEATEN BACK THE COMMUNIST THREAT. HE PROUDLY QUOTED TO THE SENATOR ADRE MALRAUX'S COMMENT THAT IN PORTUGAL THE MENSHEVIKS SHOWED THEY COULD DEFEAT THE BOLSHEVIKS. SOARES SAID THAT THE USG HAD BEEN "VERY INTELLIGENT" IN PROVIDING AID AND COMFORT TO DEMOCRATIC FORCES IN PORTUGAL DURING THE DIFFICULT STRUGGLE LAST YEAR. HE PRAISED THE USG'S DISCRETION IN ENCOURAGING WESTERN EUROPEAN COUNTRIES TO TAKE THE LEAD. HE STATED THAT HE WANTED THE SENATOR TO KNOW HOW MUCH HE PERSONALLY APPRECIATED USG POLICY.

4. SOARES ALSO STRESSED HIS PERSONAL APPRECIATION TO THE USG FOR NOT SUPPORTING AZOREAN SEPARATIST MOVEMENTS AND NOT SUPPORTING EXTREME RIGHTIST GROUPS IN PORTUGAL. HE TOLD THE SENATOR THAT TO HAVE DONE SO WOULD HAVE DEALT "A MORTAL BLOW" TO DEMOCRATIC FORCES IN PORTUGAL.

5. PPD LEADER SA CARNEIRO TOLD THE SENATOR THAT PORTUGAL NEEDED ASSISTANCE FROM ITS FRIENDS, BUT DID NOT ELABORATE. HE SAID THE COMMUNIST PARTY IS TRYING TO PROVOKE AN EXTREME RIGHTIST REACTION AND WOULD PREFER TO GO UNDERGROUND AS IN THE PAST. IN SA CARNEIRO'S VIEW THE PCP HAS BEEN DECISIVELY DEFEATED AND KNOWS IT. THE COMMUNIST PARTY WILL NOT RISE AGAIN WITHOUT A RIGHTIST COUP. BUT ADDITIONAL HELP FROM THE WEST IS NEEDED.

FORTHCOMING ELECTIONS

6. PRIME MINISTER AZEVEDO TOLD THE SENATOR THAT THE MAIN PROBLEM FOR THE SOCIALIST PARTY NOW
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WAS "TO RECUPERATE." AZEVEDO THOUGHT THE SOCIALISTS HAD LOST GROUND RECENTLY TO THE POPULAR DEMOCRATS AND THAT THE LATTER MIGHT NOW BE THE MOST POPULAR PARTY IN PORTUGAL. AZEVEDO PLACED SOCIALIST STRENGTH NOW AT ABOUT 32 PERCENT (VS. 38 PERCENT IN APRIL 1975). THE PRIME MINISTER THOUGHT NEXT APRIL'S LEGISLATIVE ELECTIONS WOULD RESULT IN A SOCIALIST/PPD MAJORITY WHICH HE SAID WOULD BE HIS PREFERRED OUTCOME. HE THOUGHT A PS/PPD GOVERNMENT

WOULD GIVE PORTUGAL SOCIAL PEACE. AZEVEDO ALSO STATED THAT AS FAR AS HE WAS CONCERNED MARIO SOARES WAS A GOOD MAN TO LEAD PORTUGAL. AZEVEDO ESTIMATED THE COMMUNIST PARTY'S STRENGTH AT PRESENT AT SOMEWHERE FROM 5 TO 9 PERCENT.

7. PPD LEADER SA CARNEIRO ALSO TOLD THE SENATOR THAT HIS PARTY HAD GAINED AT THE EXPENSE OF THE SOCIALISTS. HE CRITICIZED THE SOCIALISTS SEVERELY AND AT LENGTH, STATING THAT THE CHIEF DIFFERENCES BETWEEN THE PPD AND THE PS RESIDED IN THREE AREAS: (A) THE PS WAS MARXIST; THE PPD WAS NOT; (B) THE PS BELIEVED IN COMPLETE GOVERNMENT OWNERSHIP OF THE MEANS OF PRODUCTION AND THE PPD DID NOT; (C) THE SOCIALISTS BELIEVED IN WORKER CONTROL OF INDIVIDUAL ENTERPRISES AND THE PPD DID NOT. SA CARNEIRO SAID HE WOULD MAKE THESE POINTS THE BASIS OF HIS ELECTION CAMPAIGN, WHICH HE EXPECTED TO BE SUCCESSFUL SINCE THE PORTUGUESE PEOPLE WERE NOT ONLY ANTI-COMMUNIST, BUT ANTI-MARXIST AS WELL.

8. SOCIALIST LEADER MARIO SOARES SAW THINGS DIFFERENTLY. HE TOLD THE SENATOR THAT HIS PARTY HAD NOT LOST STRENGTH AND THAT HE FACED THE ELECTIONS WITH CONFIDENCE. IF ANY PARTY HAD GAINED STRENGTH RECENTLY, IT WAS NOT THE PPD, BUT THE CENTER SOCIAL DEMOCRATS. HE NOTED THAT THERE WOULD NOT ONLY BE LEGISLATIVE ELECTIONS, BUT ALSO

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ACTION H-03

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TO SECSTATE WASHDC 5552

C O N F I D E N T I A L SECTION 2 OF 2 LISBON 0108

MUNICIPAL ELECTIONS, AND PERHAPS A PRESIDENTIAL ELECTION AS WELL. STUNG BY PPD CRITICISMS, SOARES STATED THAT IT WAS NOT TRUE TO SAY THE PS WAS A MARXIST PARTY. HE NOTED THAT SOME OF THE PARTY'S MOST IMPORTANT LEADERS -- SALGADO

ZENHA, FOR EXAMPLE -- WERE AVOWEDLY NON-MARXIST. SOARES SAID THAT HE PERSONALLY WANTED THE SOCIALIST PARTY TO DEVELOP ALONG THE LINES OF THE BRITISH LABOR PARTY OR THE SPD IN GERMANY. HE WOULD WAGE THE FORTHCOMING ELECTION CAMPAIGN ON THREE PRINCIPAL LINES: (A) DEMOCRACY: THE PS HAD LED THE FIGHT FOR DEMOCRATIC LIBERTIES DURING THE MOST DIFFICULT MOMENTS IN THE LAST TWO YEARS, ETC.; (B) CENTRISM: THE SOCIALISTS HAD AVOIDED THE EXTREMES AND HAD NEVER SUPPORTED COUPS FROM THE LEFT OF FROM THE "SPINOLA RIGHT"; (C) ECONOMIC RECONSTRUCTION: THE SOCIALISTS WERE THE BEST PARTY TO SERVE AS INTERMEDIARY BETWEEN THE PORTUGUESE ECONOMY AND THAT OF EUROPE. SOARES STRESSED THAT HIS CAMPAIGN WOULD BE POSITIVE IN TONE AND NON-THEORETICAL IN NATURE. HE THOUGHT IT WAS EXTREMELY UNWISE TO RUN ON A PLATFORM OF ANTI-COMMUNISM ALONE AND HE REFERRED TO SA CARNEIRO AS A "PRIMITIVE ANTI-COMMUNIST." TO OSTRACIZE THE PCP, SOARES FELT, WOULD PLAY INTO CUNHAL'S HANDS BY ALLOWING HIM TO POSE AS A MARTYR AND TO UNIFY AROUND THE PCP ALL OF PORTUGAL'S PROGRESSIVE FORCES.

9. MARXIST INTELLECTUAL JOAO CRAVINHO THOUGHT THAT PORTUGAL WAS FACING A PERIOD OF EXTREME POLITICO-ECONOMIC INSTABILITY FOR THE FORESEEABLE FUTURE. THE MOST LIKELY OUTCOME OF THE APRIL ELECTIONS WOULD BE A PPD/PS GOVERNMENT, BUT IT WOULD NOT BE ABLE TO HANDLE PORTUGAL'S PROBLEMS. FOR CRAVINHO THE KEY TO FUTURE STABILITY WAS NOT TO

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SEGREGATE THE COMMUNISTS. IN HIS VIEW IT DID NOT MATTER WHETHER THE PCP WAS TECHNICALLY IN OR OUT OF THE GOVERNMENT. WHAT COUNTED WAS THAT THE PARTY STILL RETAINS A SIGNIFICANT HOLD OVER THE PORTUGUESE WORKING CLASS AND THEREFORE IT WAS IMPORTANT THAT THE PCP BE MADE TO FEEL IT HAD SOME STAKE IN THE PORTUGUESE POLITICAL SYSTEM.

OTHER TOPICS:

10. CIA ACTIVITIES: SENATOR MCGOVERN ASKED SA CARNEIRO WHETHER RECENT U.S. PRESS ARTICLES ALLEGING CIA FINANCIAL ASSISTANCE TO NON-COMMUNIST PARTIES IN PORTUGAL HAD HAD MUCH IMPACT. SA CARNEIRO RESPONDED INDIRECTLY THAT SUCH ALLEGATIONS HAD BEEN DIRECTED PRINCIPALLY AT THE SOCIALISTS, NOT THE PPD. THEREFORE THIS WAS NOT A PROBLEM FOR HIS PARTY. HE STATED THAT THE PCP CONTINUES TO RECEIVE LARGE SUMS FROM ABROAD.

11. ROLE OF MILITARY: PRIME MINISTER AZEVEDO DESCRIBED THE PORTUGUESE MILITARY AS GROUPED IN TWO MAIN AREAS -- THE "MILITARY ARISTOCRATS" WHO WANT TO RETURN TO THE BARRACKS; AND THOSE LED BY THE "GROUP OF NINE"

WHO BELIEVE THAT THE MILITARY SHOULD HAVE A STRONG INFLUENCE FOR THE NEXT THREE TO FOUR YEARS. AZEVEDO SAID THAT HE PERSONALLY WAS BETWEEN THE TWO CAMPS. HE TOLD THE SENATOR HE THOUGHT THE ARMED FORCES WOULD NEED TO REMAIN IN POSITIONS OF INFLUENCE FOR ABOUT TWO YEARS AND THAT SHOULD SUFFICE. AZEVEDO ALSO NOTED THAT THE ARMED FORCES MOVEMENT COULD NOT BE CONSIDERED SYNONYMOUS WITH THE ARMED FORCES; THAT ONE OR THE OTHER WOULD ENDURE; AND THAT HE THOUGHT THE ARMED FORCES, AND NOT THE AFM, WOULD SHOW STAYING POWER. THE PRIME MINISTER STATED THAT EVERYTHING DEPENDED ON RESTORATION OF DISCIPLINE WITHIN THE ARMED FORCES AND HE WAS PLEASED WITH PROGRESS BEING MADE IN THIS AREA.

12. LABOR AND SOCIAL ISSUES: LABOR MINISTER ROSA NOTED THAT PROBLEMS AROSE MAINLY WHEN HIS MINISTRY HAD TO DEAL WITH WORKERS WHO WERE "ORCHESTRATED" BY THE PCP. OTHERWISE HE SAID THE PORTUGUESE WORKING MAN WAS REALISTIC AND REASONABLE. THE GOP HOPES TO USE THE CONFIDENTIAL

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BREATHING SPACE PROVIDED BY THE CURRENT FREEZE ON CONTRACT NEGOTIATIONS TO FORMULATE A COMPREHENSIVE INCOMES POLICY. ROSA NOTED THIS HAD NOT BEEN DONE IN THE PAST AND HE THOUGHT IT ESSENTIAL TO TRY AND DO IT NOW. REGARDING FUTURE MODELS FOR PORTUGAL, THE DOMINANT THINKING OF PRESENT GOP LEADERS COINCIDES WITH THE IDEAS OF SOCIAL JUSTICE ESPOUSED BY THE SOCIALIST PARTY AND THE PPD. CARLUCCI

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